GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:89
ANSWERED ON:25.04.2016
Uniform Oil Prices in States
Kamaraaj Dr. K.;Kumar Dr. Virendra ;Kumar Shri Kaushalendra;Kumar Shri P.;Nagar Shri Rodmal;Nishad Shri Ajay;Sonker Smt. Neelam

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether private oil companies are earning more profit due to decline in crude oil prices and if so, the details thereof;
(b) whether the Government proposes to make the public sector oil companies agree to bear portion of subsidies given by the Government and if so, the details of under-recoveries and subsidy given by the Government on petroleum products to oil companies during the last three years and the current year product-wise;
(c) whether there is disparity in the prices of petrol, diesel, kerosene, LPG and ATF in the States across the country and if so, the details thereof along with steps taken/proposed to be taken by the Government to ensure selling of these products at uniform prices in all States in the country, product/State/UT-wise;
(d) whether there is big difference in the refinery/production cost of petroleum products particularly petrol and diesel and retail selling prices in various States and if so, the details thereof and the reasons therefor along with criteria adopted to fix the refinery cost of various petroleum products such as ATF, petrol, diesel, LPG and natural gas during the said period, State/ product-wise;
(e) whether it is a fact that various taxes levied by Union and State Governments on petrol and other petroleum products are higher than their actual cost; and
(f) if so, the details thereof along with the basic prices of petroleum products and the amount spent for making them usable including taxes and amount of dealer commission per litre on petrol and diesel respectively during the said period?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
_____(SHRI DHARMENDRA PRADHAN) _____
(a): The details of Profit After Tax (PAT) of Reliance Industries Ltd. & Essar Oil Ltd. since 2012-13 are as under:
(Amount in Rs. crore)
2012-13
2013-14
2014-15
9 M, 2015-16
RIL
21003
21984
23566
20232
Essar
-1180
126
1522
1628
(b): Upto Financial Year 2014-15, under-recoveries incurred by the PSU OMCs were partially shared by the Government and the upstream companies and the balance under-recovery was absorbed by the OMCs. For Financial Year 2015-16, Government has decided to provide a fixed fiscal subsidy of Rs.18 per kg under the Direct Benefit Transfer for Domestic LPG during April - October, 2015 and Rs.15 per kg for the period November, 2015 onwards. Government has also approved the budgetary support for PDS Kerosene under-recovery for financial year 2015-16 at a rate of Rs. 12 per litre and the remaining under-recovery will be borne by the Oil PSUs. The details of total subsidy/under-recovery burden during the last 3 years and the current year are given at Annexure I.
(c): The basic prices of petroleum products are generally uniform across the country. However, the final selling prices vary from state to state/ market to market due to changes in other cost elements such as freight, Sales tax/VAT, local levies etc.
(d): The prices of ATF, Petrol and Diesel have been made market determined by the Government effective 1st April 2001, 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of these products in line with their international prices of these products and other market conditions. Government continues to modulate the effective price to consumer for Subsidized Domestic LPG. Further, Price of CNG/PNG is fixed by the concerned City Gas Distribution (CGD) entities under the Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006.
(e) & (f): The details of taxes included in the RSP of Petrol and Diesel at the beginning of each of the last 3 years and the current year, at Delhi, are given in Annexure II.
x-x-x-x-x